

MR01

Particulars of a charge

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A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

FRIDAY



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30/05/2014

#181

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record

1 Company details

Company number ☒ 0 8 3 3 0 0 1 1

Company name in full ☒ CIVILS STORE LIMITED

For official use

► **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date ☒ 2 9 0 5 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ☒ CAPITAL FOR COLLEAGUES PLC

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

Land

(i) the Properties specified in the Schedule to the charge document, being

1 The freehold land at Edenhall, Penrith registered with title number CU135607,

2 The freehold land known as Unit 12-13, Cardew Industrial Estate, Redruth TR15 1SS registered with title number CL247597, and

3 The leasehold land known as Unit D7 Eurolink Commercial, Bonham Drive, Sittingbourne registered with title number K792182,

(ii) all Properties (other than any Properties specified in the Schedule to the charge document) now owned by the Company or in which the Company has an interest, and

(iii) (to the extent not the subject of a legal mortgage by virtue of (i) or (ii)) all present and future Properties now or from time to time hereafter owned by the Company or in which the Company may have an interest

Please see continuation sheet

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Tim P. L. L.* X

This form must be signed by a person with an interest in the charge

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Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name

SRH

Company name

Turner Parkinson LLP

Address

Hollins Chambers

64a Bridge Street

Manchester

Post town

County/Region

Postcode

M 3 3 B A

Country

UK

DX

Telephone

0161 8338439



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

MR01 - continuation page

Particulars of a charge



4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

"Property" means freehold and leasehold property wherever situate (other than any heritable property in Scotland), and includes all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same and "Properties" means all or any of the same, as the context requires

"Fixtures" means, in relation to a Property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law

Intellectual property

all Intellectual Property now or from time to time hereafter owned by the Company or in which the Company may have an interest

"Intellectual Property" means all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semi-conductor topography rights, database rights, copyrights, computer programs, customer lists, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property, in each case now or from time to time hereafter owned by the Company, including any renewals, revivals or extensions thereof and wherever in the world subsisting



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8330011

Charge code: 0833 0011 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th May 2014 and created by CIVILS STORE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th May 2014.

ℓ

Given at Companies House, Cardiff on 4th June 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



DATED

29 May

2014

(1) CIVILS STORE LIMITED

and

(2) CAPITAL FOR COLLEAGUES PLC

MORTGAGE DEBENTURE

We hereby certify this to be a true and complete copy of the original

Signature *A Matthews* Date 29/5/14

For and on behalf of
turner parkinson LLP
solicitors

Ref SRH

turner parkinson LLP
Hollins Chambers
64a Bridge Street
Manchester
M3 3BA

Tel + 44 (0) 161 833 1212
Fax + 44 (0) 161 834 9098

www.tp.co.uk

THIS MORTGAGE DEBENTURE is dated

29 May

2014

BETWEEN:

- (1) **CIVILS STORE LIMITED** (registered in England with number 08330011) and whose registered office is at 64 High Street, Shepton Mallet, Somerset BA4 5AX (the "**Borrower**"); and
- (2) **CAPITAL FOR COLLEAGUES PLC** (registered in England with number 08717989) whose registered office is at National Self Build & Renovation Centre, Lydiard Fields, Great Western Way, Swindon SN5 8UB (the "**Creditor**")

THIS DEED WITNESSES THAT:

1. Interpretation

1.1 In this deed, unless the context otherwise requires:

"Account"	means each account from time to time opened or maintained by the Borrower and all rights, benefits and proceeds in respect of such account;
"Administrator"	means any person appointed under Schedule B1 Insolvency Act 1986 to manage the Borrower's affairs, business and property;
"Assigned Agreement"	each agreement to which the Borrower is or may become a party;
"Charged Assets"	means all assets of the Borrower described in clause 3.1,
"Collateral Instruments"	means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance,
"Debts"	means book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights;
"Default Rate"	means the rate applicable to overdue amounts applicable in any instrument evidencing the Secured Liabilities;
"Encumbrance"	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing or preferring any obligation of any person or any other arrangement having the effect of conferring rights of retention or set-off or other disposal rights over an asset (including, without limitation, title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing;
"Enforcement Date"	means the date on which an Event of Default occurs,
"Equipment"	means machinery, equipment, furniture, furnishings, fittings

and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all present and future additions thereto, replacements or upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto wherever any of the foregoing is located,

"Event of Default"

means:

- a) the Borrower failing to pay or discharge any of the Secured Liabilities when the same ought to be paid or discharged (whether on demand or at scheduled maturity or by acceleration or otherwise as the case may be); or
- b) the appointment or making of a notice of intention to appoint an Administrator in respect of the Borrower; or
- c) the presentation of a petition for an administration order in respect of the Borrower; or
- d) the presentation of any petition or taking of any other step for the purpose of winding up the Borrower or the making of an order or passing of a resolution for the winding up of the Borrower or the issuing of a notice convening a meeting for the purpose of passing any such resolution, or
- e) any event which constitutes an event of default under any instrument which evidences the Secured Liabilities (or any of them);

"Fixed Charge Assets"

means the assets of the Borrower described in clauses 3.1.1 to 3.1.3;

"Fixtures"

means, in relation to a Property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law;

"Incapacity"

means, in relation to a person, the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever;

"Indebtedness"

means any obligation for the payment or repayment of money, whether as principal or surety and whether present or future, actual or contingent;

"Insurances"

means all present and future contracts or policies of insurance (including life assurance policies) taken out by the Borrower or in which the Borrower from time to time has an interest;

"Intellectual Property"

means all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semi-conductor topography rights, database rights, copyrights, computer programs, customer lists, know-how and trade secrets and all other intellectual or intangible property or rights and all

licences, agreements and ancillary and connected rights relating to intellectual and intangible property, in each case now or from time to time hereafter owned by the Borrower, including any renewals, revivals or extensions thereof and wherever in the world subsisting,

"Inventory"

means inventory, goods and merchandise, wherever located, raw materials, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description used in connection with the Borrower's business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods; merchandise and such other specified property, and all documents of title or other documents representing them;

"Property"

means freehold and leasehold property wherever situate (other than any heritable property in Scotland), and includes all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same and **"Properties"** means all or any of the same, as the context requires;

"Receiver"

means any receiver and/or manager not being an administrative receiver (within the meaning of section 29(2) Insolvency Act 1986) appointed by the Creditor pursuant to clause 9 1;

"Receivership Assets"

has the meaning given to it in clause 9 1,

"Secured Liabilities"

means all present and future monies, obligations and liabilities owed by the Borrower to the Creditor whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever together with all interest on such monies and liabilities, and

"Securities"

means stocks, shares, bonds and securities of any kind whatsoever (including warrants, options and other rights to acquire or subscribe any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof

- 1 2 The expressions **"Creditor"** and **"Borrower"** include, where the context admits, their respective successors and his personal representatives, transferees and assignees, whether immediate or derivative
- 1 3 Clause headings and the contents page are inserted for convenience of reference only and shall be ignored in the interpretation of this deed.
- 1.4 In this deed, unless the context otherwise requires
 - 1.4.1 references to clauses and the schedule are to be construed as references to the clauses of, and the schedule to, this deed and references to this deed include its schedule,
 - 1 4 2 references to (or to any specified provision of) this deed or any other document shall be construed as references to this deed, that provision or that document as in

force for the time being and as amended, supplemented, replaced or novated in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of this deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Creditor,

- 1 4 3 words importing the plural shall include the singular and vice versa;
- 1.4.4 references to "**assets**" include all or part of any business, undertaking, real property, personal property, uncalled capital and any rights (whether actual or contingent, present or future) to receive, or require delivery of, or otherwise in respect of, any of the foregoing;
- 1 4 5 references to a "**person**" shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any of its agencies;
- 1.4.6 references to a "**regulation**" include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority,
- 1.4.7 references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended;
- 1 4 8 in relation to any Properties in Northern Ireland, references to the Law of Property Act 1925 shall be construed as references to the corresponding provisions of the Conveyancing and Law of Property Act 1881

2. Security Liabilities

- 2.1 The Borrower hereby covenants with the Creditor that it will pay and discharge the Secured Liabilities when due.
- 2 2 From the point at which the Secured Liabilities become due, the Borrower shall pay interest to the date of payment or discharge (as well after as before any demand or judgment or any liquidation or administration of, or any arrangement or composition with, creditors of the Borrower) at the Default Rate. Such interest shall be compounded in the event of it not being punctually paid as the Creditor may determine but without prejudice to the Creditor's right to require payment of such interest when due.
- 2.3 All amounts to be paid by the Borrower in respect of the Secured Liabilities shall be made without any set-off, counterclaim or deduction and free and clear of and without deduction or withholding in respect of or on account of any taxes, except to the extent that the Borrower is required by law to make payment subject to any such deduction or withholding. All taxes required by law to be deducted or withheld by the Borrower from any amounts paid or payable in respect of the Secured Liabilities shall be paid by the Borrower when due and the Borrower shall, within 14 days of the payment being made, deliver to the Creditor evidence satisfactory to the Creditor (including all relevant tax receipts) that the payment has been duly remitted to the appropriate authority.
- 2.4 Any statement of account signed as correct by an officer of the Creditor, showing the amount of the Secured Liabilities, shall, in the absence of manifest error, be binding and conclusive on and against the Borrower.
- 2 5 After making a demand pursuant to this deed, the Creditor shall be entitled to appropriate monies and/or assets to the Secured Liabilities in such manner or order as it sees fit and any such appropriation shall override any appropriation by the Borrower.

3. Charges

- 3.1 The Borrower, with full title guarantee, as a continuing security for the payment and discharge of the Security Liabilities hereby
 - 3.1.1 charges to the Creditor by way of legal mortgage:

- (a) the Properties specified in the Schedule;
 - (b) all Properties (other than any Properties specified in the Schedule) now owned by the Borrower or in which the Borrower has an interest,
- 3.1.2 charges to the Creditor by way of fixed charge:
 - (a) (to the extent not the subject of a legal mortgage by virtue of clause 3.1.1) all present and future Properties now or from time to time hereafter owned by the Borrower or in which the Borrower may have an interest;
 - (b) all Equipment now, or from time to time hereafter owned by the Borrower or in which the Borrower has an interest and the benefit of all contracts and warranties relating to the same;
 - (c) all Securities now or from time to time owned by the Borrower or in which the Borrower has an interest;
 - (d) all Debts now or from time to time hereafter owned by the Borrower or in which the Borrower has an interest (whether originally owing to the Borrower or purchased or otherwise acquired by it),
 - (e) the proceeds of collection of all Debts and all monies standing to the credit of any Account;
 - (f) all monies from time to time payable to the Borrower under or pursuant to the Insurances including without limitation the right to the refund of any premiums;
 - (g) the proceeds of all other sums of money received by the Borrower, other than those specified in clauses 3.1.2(c), 3.1.2(d) or 3.1.2(e),
 - (h) the goodwill and uncalled capital of the Borrower; and
 - (i) all Intellectual Property now or from time to time hereafter owned by the Borrower or in which the Borrower may have an interest.
- 3.1.3 assigns to the Creditor by way of fixed charge:
 - (a) to the extent the same are assignable, the benefit of the Assigned Agreements and the benefit of any guarantee or security for the performance of the Assigned Agreements, and
 - (b) all its rights in any Insurances or assurance present or future (including, without limitation, any Insurances relating to the Properties or the Equipment); and
- 3.1.4 charges to the Creditor by way of floating charge its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future including, without limitation, its Inventory, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to clause 3.1.1 to 3.1.3 or otherwise pursuant to this deed but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland
- 3.2 The provisions of paragraph 14 of Schedule B1 Insolvency Act 1986 apply to the floating charge in clause 3.1.4, which shall be enforceable at any time on or after the Enforcement Date
- 3.3 So far as permitted by law and notwithstanding anything expressed or implied in this deed:
 - 3.3.1 if the Borrower creates or attempts to create any Encumbrance over all or any of the Charged Assets without the prior written consent of the Creditor or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Charged Assets, the floating charge created by clause 3.1.4 over the property or asset concerned shall thereupon automatically without notice be converted into a

fixed charge, and

3.3.2 the floating charge created by clause 3.1.4 shall automatically be converted into a fixed charge on the Enforcement Date

3.4 Notwithstanding anything expressed or implied in this deed but without prejudice to clause 3.3, the Creditor shall be entitled at any time by giving notice in writing to that effect to the Borrower to convert the floating charge over all or any part of the Charged Assets into a fixed charge as regards the assets specified in such notice

3.5 In respect of any Property charged pursuant to clauses 3.1.1 or 3.1.2 title to which is registered at the Land Registry, the Borrower hereby represents and warrants that the security created by this deed does not contravene any of the provisions of the articles of association or any other constitutional documents of the Borrower.

3.6 The Borrower consents and will procure the consent of the proprietor of any charge registered against any title to any Property, to the Creditor's application to the Chief Land Registrar for the registration of the following restriction against such registered charges and against any title to any unregistered Property which is or ought to be the subject of a first registration at the Land Registry at the date of this deed

"RESTRICTION"

No disposition of the registered estate by the proprietor of the registered estate [, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Capital for Colleagues PLC referred to in the charges register [or [their conveyancer or specify appropriate details]] "

4. Further assurance

4.1 The Borrower shall if and when at any time required by the Creditor execute such further Encumbrances and assurances in favour or for the benefit of the Creditor and do all such acts and things as the Creditor shall from time to time require over or in relation to all or any of the Charged Assets to secure the Security Liabilities or to perfect or protect the Creditor's security over the Charged Assets or any part thereof or to facilitate the realisation of the same

4.2 The provisions of clause 4.1 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

5. Representations and warranties

5.1 The Borrower represents and warrants to the Creditor that.

5.1.1 the Borrower is the legal and beneficial owner of the Charged Assets,

5.1.2 the Charged Assets are free from any Encumbrance other than the Encumbrances created by this debenture;

5.1.3 the Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in it;

5.1.4 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Assets;

5.1.5 there is no breach of any law or regulation which materially adversely affects the Charged Assets,

5.1.6 no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use;

5.1.7 nothing has arisen, has been created or is subsisting which would be an overriding interest in any Property;

5.1.8 no Encumbrance expressed to be created under this debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the

Borrower or otherwise, and

5 1 9 there is no prohibition on assignment in any Insurances or Assigned Agreements or the relevant clauses of any of them, and the entry into this debenture by the Borrower does not and will not constitute a breach of any Insurances, Assigned Agreements or any other agreement or instrument binding on the Borrower or its assets

5.2 The representations and warranties set out in clause 5 1 are made on the date of this debenture and shall be deemed to be made on each day that the Security Liabilities are outstanding with reference to the facts and circumstances then existing

6. Covenants

6.1 General

6 1 1 The Borrower hereby covenants that it will not, without the prior written consent of the Creditor:

- (a) dispose of all or any of the Fixed Charge Assets (in whole or in part);
- (b) create or attempt to create or permit to subsist in favour of any person other than the Creditor any Encumbrance on or affecting the Charged Assets or any part thereof, and
- (c) do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Creditor or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this debenture.

6.1.2 The Borrower shall promptly on becoming aware of any of the same give the Creditor notice in writing of any breach of:

- (a) any representation or warranty set out in clause 5, and
- (b) any covenant set out in this clause 6

6.1.3 The Borrower shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Asset), deposit with the Creditor and the Creditor shall, for the duration of this debenture be entitled to hold all deeds and documents of title relating to the Charged Assets which are in the possession or control of the Borrower (and if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title).

6.2 Insurances

6 2 1 The Borrower has not done or omitted to do, and shall not do or omit to do, any act or thing that may invalidate or otherwise prejudice the Insurances.

6 2 2 All sums payable under any of the Insurances at any time shall be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Security Liabilities.

6.3 Debts

The Borrower shall not release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts

6 4 Property

6.4.1 The Borrower shall

- (a) keep all buildings and all fixtures on each Property in good and substantial repair and condition,
- (b) insure, and keep insured, those buildings and fixtures with such insurer and against such risks and in such amounts and otherwise on such terms

as the Creditor may require (and, failing such requirement, in accordance with the practice in respect of items of the same type current amongst prudent businessmen from time to time); and

- (c) procure that the interest of the Creditor is noted on all those insurance policies or, at the option of the Creditor, that those insurance policies are issued in the joint names of the Creditor and the Borrower

6.4.2 The Borrower shall

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected and (if the Creditor so requires) produce to the Creditor evidence sufficient to satisfy the Creditor that those covenants, stipulations and conditions have been observed and performed; and
- (b) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and perform and observe all the tenant's covenants and conditions.

6.4.3 The Borrower shall not, without the prior written consent of the Creditor.

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- (b) in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property

6.4.4 The Borrower shall not, without the prior written consent of the Creditor, carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property.

6.4.5 The Borrower shall inform the Creditor promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in any property

6.5 Securities

6.5.1 The Borrower shall not exercise any rights under sections 145 and 146 of the Companies Act 2006 to nominate any person in respect of any of the Securities.

6.5.2 The Borrower shall:

- (a) procure all consents, waivers, approvals and permissions which are necessary under the articles of association for the transfer of the Securities to the Creditor or its nominee, or to a purchaser on enforcement of this debenture; and
- (b) procure the amendment of the share transfer provisions of the articles of association in such manner as the Creditor may require in order to permit such a transfer

6.5.3 After the security constituted by this debenture has become enforceable:

- (a) all dividends and other distributions paid in respect of the Securities and received by the Borrower shall be held on trust for the Creditor or, if received by the Creditor, shall be retained by the Creditor, and
- (b) all voting and other rights and powers attaching to the Securities shall be exercised by, or at the direction of, the Creditor and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Creditor may, in its absolute discretion, give concerning the exercise of

those rights and powers

- 6 5 4 The Borrower shall duly and promptly pay all calls, instalments and other monies which may be payable from time to time in respect of the Securities. The Borrower acknowledges that the Creditor shall not be under any liability in respect of any such calls, instalments or other monies

6.6 Equipment

6.6.1 The Borrower shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and
- (b) not to permit any Equipment to be used or handled, other than by properly qualified and trained persons or to be overloaded or used for any purpose for which it is not designed or reasonably suitable

6.7 Intellectual Property

- 6 7 1 The Borrower shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation), observing all covenants and stipulations relating to such rights and paying all applicable renewal fees, licence fees and other outgoings

- 6 7.2 The Borrower shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

7. Enforcement

- 7 1 At any time on or after the Enforcement Date the Creditor shall be entitled to make demand for payment of the Security Liabilities and if such demand is not met in full, to enforce the security (in whole or in part) created by this deed.

- 7.2 At any time on or after the Enforcement Date the Creditor may, without further notice, without the restrictions contained in section 103 Law of Property Act 1925 and whether or not an Administrator or a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this deed and all the powers and discretions conferred by this deed on a Receiver expressly, by law or by reference

- 7.3 Without limiting the generality of clause 7.2 the Creditor and its nominees at the discretion of the Creditor may at any time on or after the Enforcement Date exercise without further notice to or any authority from the Borrower in respect of the Securities any voting rights and all powers given to trustees by the Trustee Act 2000 in respect of securities or property subject to a trust and any powers or rights which may be exercisable by the person in whose name any of the Securities is from time to time registered or by the bearer thereof for the time being

- 7.4 The Creditor shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Creditor shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 Law of Property Act 1925

- 7.5 At any time on or after the Enforcement Date or if requested by the Borrower the Creditor may sever, and sell separately, any Fixtures from any of the Properties to which they are attached.

8. Appointment of Administrator

At any time on or after the Enforcement Date the Creditor may appoint an Administrator of the Borrower for the purposes and upon the terms contained in Schedule B1 Insolvency Act 1986

9. Appointment and powers of Receiver

- 9.1 At any time on or after the Enforcement Date the Creditor may, save as mentioned in this

clause 9.1, by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any person to be a Receiver of such part of the Charged Assets, not being the whole or substantially the whole of the Borrower's property within the meaning of section 29 Insolvency Act 1986 as the Creditor may specify (the "**Receivership Assets**"). Any such appointment may be made subject to such qualifications, limitations and/or exceptions (either generally or in relation to specific assets or classes of asset) as may be specified in the instrument effecting the appointment. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Creditor may specify to the contrary in the appointment. The Creditor may remove any Receiver so appointed and appoint another in his place. The Creditor shall not, however, be entitled to appoint a Receiver solely as a result of the obtaining of a moratorium, or of anything done with a view to obtaining a moratorium, under the Insolvency Act 2000, without the leave of the court.

- 9.2 A Receiver shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts or defaults and for his remuneration.
- 9.3 A Receiver shall have the power to do or omit to do on behalf of the Borrower anything which the Borrower itself could do or omit to do if the Receiver had not been appointed, notwithstanding the liquidation of the Borrower. In particular (but without limitation) a Receiver shall have power to:
 - 9.3.1 take possession of, collect and get in the Receivership Assets and, for that purpose, to take such proceedings as may seem to him expedient,
 - 9.3.2 sell or otherwise dispose of the Receivership Assets by public auction or private auction or private contract or, in Scotland, to sell, hire out or otherwise dispose of the Receivership Assets by public auction or private bargain;
 - 9.3.3 raise or borrow money and grant security therefor over the Receivership Assets;
 - 9.3.4 appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions;
 - 9.3.5 bring or defend any action or other legal proceedings in the name and on behalf of the Borrower;
 - 9.3.6 refer to arbitration any question affecting the Borrower,
 - 9.3.7 effect and maintain insurances in respect of the business and Properties of the Borrower;
 - 9.3.8 do all acts and execute in the name and on behalf of the Borrower any deed, receipt or other document,
 - 9.3.9 draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Borrower;
 - 9.3.10 appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and employ and dismiss employees,
 - 9.3.11 do all such things (including the carrying out of works) as may be necessary for the realisation of the Receivership Assets,
 - 9.3.12 make any payment which is necessary or incidental to the performance of his functions;
 - 9.3.13 carry on the business of the Borrower;
 - 9.3.14 establish subsidiaries of the Borrower;
 - 9.3.15 transfer to subsidiaries of the Borrower the whole or any part of the business or Receivership Assets;
 - 9.3.16 grant or accept a surrender of a lease or tenancy of any of the Receivership Assets and to take a lease or tenancy of any Properties required or convenient for the business of the Borrower;

- 9 3 17 make any arrangement or compromise on behalf of the Borrower in respect of the Receivership Assets;
- 9 3 18 call up any uncalled capital of the Borrower; and
- 9.3.19 rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the Borrower and receive dividends and accede to trust deeds for the creditors of any such person

The Receiver shall also have all powers from time to time conferred on receivers by statute without, in the case of powers conferred by the Law of Property Act 1925, the restrictions contained in Section 103 of that Act

- 9 4 The Creditor may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. A Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.
- 9.5 Any insurance monies received by a Receiver shall be applied in accordance with clause 10.2 and accordingly section 109(8) Law of Property Act 1925 shall not apply.

10. Application of proceeds: purchasers

- 10 1 All monies received by the Creditor or by any Receiver shall, be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Security Liabilities, in or towards satisfaction of the Security Liabilities in such manner and order as the Creditor may determine
- 10 2 All insurance monies (including any received by a Receiver) deriving from any of the Insurances (whether before or after the Enforcement Date) shall be paid to the Creditor (or if not paid by the insurers directly to the Creditor shall be held on trust for the Creditor) and shall be applied:
 - 10 2 1 unless an Event of Default shall have occurred and be continuing, in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Borrower); or
 - 10 2.2 if an Event of Default has occurred and is continuing, in reduction of the Security Liabilities in such manner and order as the Creditor may determine except where the Borrower is required (as landlord or tenant) to apply such insurance monies in accordance with any lease of any of the Charged Assets in which event they shall be so applied
- 10 3 No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Creditor or any Administrator or Receiver to exercise any of the powers conferred by this deed has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers

11. Indemnities: exclusion of liability: costs and expenses

- 11 1 The Borrower hereby undertakes with the Creditor to pay on demand all costs, charges and expenses incurred by or on behalf of the Creditor or by any Administrator or Receiver in or about the enforcement or preservation or attempted enforcement or preservation of any of the security created by or pursuant to this deed or any of the Charged Assets on a full indemnity basis, together with interest at the Default Rate from the date on which such costs, charges or expenses are so incurred until the date of payment by the Borrower (as well after as before judgment).
- 11.2 Neither the Creditor nor any Administrator or Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever for which a mortgagee may be liable as such.
- 11.3 Neither the Creditor nor any Administrator or Receiver shall have any liability or responsibility of any kind to the Borrower arising out of the exercise or non-exercise of the right to enforce recovery of the Debts or shall be obliged to make any enquiry as to the sufficiency of any

sums received in respect of any Debts or to make any claims or take any other action to collect or enforce the same.

- 11.4 The Borrower hereby undertakes to indemnify and keep indemnified the Creditor, any Administrator or Receiver and any attorney, agent or other person appointed by the Creditor under this deed (each an "**Indemnified Party**") in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort or otherwise and whether arising at common law, in equity or by statute which may be incurred by, or made against, any of the Indemnified Parties (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising directly or indirectly out of or as a consequence of:
- 11.4.1 anything done or omitted in the exercise or purported exercise of the powers contained in this deed; or
- 11.4.2 any breach by the Borrower of any of its obligations under this deed
- 11.5 Each Indemnified Party referred to in clause 11.4 shall have the benefit and may enforce the terms of this deed in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999
- 11.6 Subject to clause 11.5, a person who is not a party to this deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed.
- 11.7 Notwithstanding clause 11.5 or any other provision of this deed, the Creditor and the Borrower shall be entitled to agree variations to this deed without notifying the other Indemnified Parties or seeking the consent of such Indemnified Parties or any of them to the variation
- 11.8 All fees, costs and expenses payable under or pursuant to this deed shall be paid together with an amount equal to any value added tax payable by any of the Creditor in respect of the same. Any value added tax chargeable in respect of any services supplied by any of the Creditor under this deed shall, on delivery of a value added tax invoice, be paid in addition to any sum agreed to be paid under this deed

12. Power of attorney

- 12.1 The Borrower by way of security hereby irrevocably appoints the Creditor and any Receiver severally to be its attorney in its name and on its behalf:
- 12.1.1 to do all things which the Borrower may be required to do under this deed;
- 12.1.2 to execute and complete any documents or instruments which the Creditor or such Receiver may require for perfecting the title of the Creditor to the Charged Assets or for vesting the same in the Creditor, its nominees or any purchaser;
- 12.1.3 to sign, execute, seal and deliver and otherwise perfect any further security document referred to in clause 4; and
- 12.1.4 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Creditor or a Receiver under this deed or which may be deemed expedient by the Creditor or a Receiver in connection with any disposition, realisation or getting in by the Creditor or such Receiver of the Receivership Assets or in connection with any other exercise of any power under this deed and including, but not limited to a power in favour of any Receiver to dispose for value of any of the assets of the Borrower over which such Receiver may not have been appointed and which are located at a Property over which he has been appointed, without being liable for any losses suffered by the Borrower, or any part thereof.
- 12.2 The Borrower ratifies and confirms (and agrees to do so) whatever any such attorney shall do, or attempt to do, in the exercise of all or any of the powers, authorities and discretions pursuant to clause 12.1.

13. Continuing security and other matters

- 13.1 This deed and the obligations of the Borrower under this deed shall extend to the ultimate balance from time to time owing in respect of the Security Liabilities and shall be a continuing security notwithstanding any intermediate payment, partial settlement or other matter whatsoever
- 13.2 The Creditor shall not be obliged to make any claim or demand on the Borrower or any other person liable or to resort to any Collateral Instrument or other means of payment before enforcing this deed and no action taken or omitted in connection with any such Collateral Instrument or other means of payment shall discharge, reduce, prejudice or affect the liability of the Borrower. The Creditor shall not be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such Collateral Instrument or other means of payment.
- 13.3 Any money received pursuant to the realisation of any security created pursuant to this deed (whether before or after any Incapacity of the Borrower or any other person liable) may be placed to the credit of an interest-bearing suspense account with a view to preserving the rights of the Creditor to prove for the whole of their claims against the Borrower or any other person liable
- 13.4 Any release, discharge or settlement between the Borrower and the Creditor shall be conditional upon no security, disposition or payment to the Creditor by the Borrower or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition is not fulfilled the Creditor shall be entitled to enforce this deed as if such release, discharge or settlement had not occurred and any such payment had not been made
- 13.5 The Borrower expressly confirms that the security created by this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to this deed.
- 13.6 The Creditor may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons is jointly liable with the Borrower) in respect of any of the Security Liabilities, or of any other security for them without prejudice either to this debenture or to the liability of the Borrower for the Security Liabilities

14. Miscellaneous

- 14.1 The Borrower agrees to be bound by this deed notwithstanding that any charges contained in this deed may be terminated or released or may be or become invalid or unenforceable against the Borrower whether or not the deficiency is known to the Creditor.
- 14.2 No failure or delay on the part of the Creditor to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.
- 14.3 The Creditor shall be entitled (but shall not be bound) to remedy a breach at any time by the Borrower of any of its obligations contained in this debenture and the Borrower irrevocably authorises the Creditor and its agents to do all such things as are necessary or desirable for that purpose.
- 14.4 During the continuance of this security the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Borrower in relation to the Charged Assets or any part thereof.
- 14.5 Any appointment or removal of a Receiver under clause 9 and any consents under this deed may be made or given in writing signed or sealed by any personal representatives, successors or assigns of the Creditor and accordingly the Borrower hereby irrevocably appoints each personal representative, successor and assign of the Creditor to be its attorney in the terms

and for the purposes set out in clause 12.

- 14.6 Section 93 Law of Property Act 1925 shall not apply to the security created by this deed or to any security given to the Creditor pursuant to this deed.
- 14.7 The security granted by this deed shall remain valid and effective in all respects in favour of the Creditor and any assignee, transferee or other successor in title of the Creditor in the same manner as if such assignee, transferee or other successor in title had been named in this deed as a party instead of, or in addition to, the Creditor.
- 14.8 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.
- 14.9 Any right or power which may be exercised or any determination which may be made under this deed by the Creditor may be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give reasons therefor.
- 14.10 This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

15. Notices

- 15.1 A notice or other communication given to a party under or in connection with this deed:
- 15.1.1 shall be signed by or on behalf of the party giving it;
- 15.1.2 shall be delivered to:
- (a) the Creditor at its registered office from time to time; and
- (b) the Borrower at its registered office from time to time,
- (or to such other postal address or person as a party may notify to the other in accordance with the provisions of this clause);
- 15.1.3 shall be:
- (a) delivered personally; or
- (b) sent by commercial courier; or
- (c) sent by pre-paid first-class post or recorded delivery.
- 15.2 If a notice or other communication has been properly sent or delivered in accordance with this clause, it will be deemed to have been received.
- 15.2.1 if delivered personally, at the time of delivery, or
- 15.2.2 if delivered by commercial courier, at the time of signature of the courier's receipt, or
- 15.2.3 if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second day after posting.
- 15.3 For the purposes of this clause if deemed receipt under this clause is not within business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), the notice or other communication is deemed to have been received when business next starts in the place of receipt.
- 15.4 To prove delivery, it is sufficient to prove that, if sent by pre-paid first class post, the envelope containing the notice was properly addressed and posted.
- 15.5 The provisions of this clause 15 shall not apply to the service of any process in any legal action or proceedings.

16. Law

This debenture and any dispute or claim arising out of or in connection with it or its subject

matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

IN WITNESS of which this deed has been executed and, on the date set out above, delivered as a deed.

THE SCHEDULE
PROPERTIES

- 1 The freehold land at Edenhall, Penrith registered with title number CU135607
2. The freehold land known as Unit 12-13, Cardew Industrial Estate, Redruth TR15 1SS registered with title number CL247597
3. The leasehold land known as Unit D7 Eurolink Commercial, Bonham Drive, Sittingbourne registered with title number K792182